

D.

Texas Department of Banking

Industry

and

Departmental Operations

and

Legislative Activities

**Legislation Influencing Regulated Industries
and the Department of Banking
83rd Legislative Session, 2013**

HB 2134 -- relating to the regulation of money services businesses (effective 9/1/13 if not vetoed)

- amends statute to allow the use of the NMLS for MSB licensing and reporting
- expands regulatory cooperation authority
- eliminates license renewal and replace with annual reporting requirements
- adds "prepaid access" to the definition of stored value
- amends temporary license statute so a temporary license can be extended more than once
- broadens definition of "currency exchange" to include transactions that involve negotiable instruments
- eliminates conflicts with federal remittance transfer rule
- corrects references and clarify language

SB 297 -- relating to prepaid funeral benefits contracts (effective 9/1/13)

- amends permit holder notification requirements for transfer of ownership
- clarifies that permit can be renewed with or without authority to sell new contracts
- requires notification to purchasers of funeral provider closure
- adds a deadline by which the respondent must ask for a hearing
- expands venue provisions for court actions
- simplifies use of seized records in hearings
- adds flexibility for administrative law judge to recommend less than the maximum statutory penalties
- gives Commissioner authority to issue orders prohibiting persons from participating in the business of prepaid funeral sales
- gives Commissioner authority to issue subpoenas for investigation of possible misallocation of funds or illegal sales
- clarifies that trust funds must be placed in a restricted account

SB 661 -- relating to cemeteries and perpetual care cemetery corporations; creating an offense (effective 9/1/13)

- clarifies when it is necessary to plat and file amended plats with a County Clerk's Office
- shortens the time allowed for correction of a violation prior to Attorney General action
- requires Travis County venue for suit or quo warranto proceeding
- clarifies that the minimum capital requirements pertain to each certificate of authority issued
- adds criminal penalties for unauthorized multiple burials and removal of remains
- clarifies when a change of control occurs and a new certificate of authority is required
- corrects references

HB 1664 -- relating to the regulation of banks, trust companies, and bank holding companies
(effective _____)

- changes limits for investment in trust company fixed assets from 60% to 100% of restricted capital
- changes requirements for monthly board of directors meetings to give Commissioner discretion to allow meetings less often
- expands subpoena power to assist the examination or investigation function
- clarifies that advisory directors are not entitled to confidential regulatory information unless contractually bound by confidentiality agreement
- revises standard for removal or prohibition to "best interest of public," from "best interest of the bank or trust company involved"
- adds "appointment of new officers and directors or removal of current officers and directors" to list of actions that require prior approval for an entity under a supervision order
- revises interstate merger, branching, and host state authority to be consistent with federal statutes
- revises loan production office requirements and disposal period for certain OREO to establish parity with national banks
- adds definition of "surplus" in Trust Company Act
- changes terminology regarding permissible royalty interests to be consistent with Texas oil and gas law
- corrects references

SB 804 -- relating to revising provisions in certain laws governing certain banks and trust companies in this state to conform to changes in terminology made by the Business Organizations Code (effective _____)

- revises terms in Title 3, Subtitles A, F, and G of the Finance Code to be consistent with the Business Organizations Code (e.g., "articles of association" to "certificate of formation")

SB 192 -- relating to access to criminal history record information by the banking commissioner
(effective 9/1/13)

- corrects and clarifies references
- adds authority to obtain criminal history information on perpetual care cemetery owners
- clarifies authority to obtain criminal history information on Department employees

HB 52 -- relating to the sale of a cemetery plot; providing penalties; authorizing a fee (effective 1/1/14 if not vetoed)

- requires third parties who sell plot burial rights to register as "cemetery brokers"
- allows a cemetery broker to withdraw registration at any time, and allows the Department to revoke registration based on certain grounds -- registration is a one-time, revocable process
- requires a cemetery broker to keep records of each transaction, and authorizes the Department to examine these records
- requires a cemetery broker to provide consumers with information on how to file a complaint

- authorizes the Banking Commissioner to issue emergency and non-emergency orders, including orders for restitution or to seize accounts and records
- authorizes the Finance Commission to adopt rules relating to the enforcement and administration of cemetery broker requirements

HB 1675 – relating to the sunset review process and certain governmental entities subject to that process (effective _____)

- directs the Sunset Advisory commission to conduct a study and submit a report by December 31, 2014 concerning the self-directed and semi-independent status of state agencies that addresses:
 - criteria and a process to determine whether SDSI status should be given or revoked
 - measures to ensure adequate state oversight
 - reporting requirements
 - contracting and payment procedures for SDSI agencies to receive services from another state agency
 - procedures for sunset review
 - appropriations issues related to transition to or from SDSI status
 - criteria for review of complaint procedures
- changes the sunset date of the following to September 1, 2019:
 - Finance Commission
 - Department of Banking
 - Department of Savings and Mortgage Lending
 - Office of Consumer Credit Commissioner
- provides that SDSI agencies must pay the costs of sunset review
- allows the Sunset Commission to attend meetings and proceedings and inspect records, documents and files of any state agency regardless of the confidential nature of the information
 - agency does not waive privilege or confidentiality requirement
 - agency may redact information confidential under federal law
 - agency may require staff who view the information to sign a confidentiality agreement

The Department is reviewing miscellaneous bills that change provisions of the Government Code and other statutes.



Charles G. Cooper
Commissioner

TEXAS DEPARTMENT OF BANKING

2601 North Lamar Blvd., Austin, Texas 78705

512-475-1300 / 877-276-5554

www.dob.texas.gov

To: Finance Commission Members

From: Kurt Purdom, Director of Bank & Trust Supervision

Date: June 7, 2013

Subject: Summary of the Bank & Trust Supervision Division Activities

Bank and Trust Supervision					FY 2013							
FY2011		FY2012		1 st		2 nd		3 rd		4 th		
Industry Profile (# / Assets (billions))												
# Banks	307	\$159.4	296	\$191.9	294	\$197.2	290	\$205.0	287	\$203.8		
# Trust Co. (1)	22	\$20.4	22	\$21.7	21	\$23.0	22	\$23.6	22	\$26.4		
# FBA/FBB	10	\$97.5	10	\$83.6	10	\$75.7	10	\$80.0	10	\$80.3		
Banks	169		165		36		35		*			
Trust Co.	37		32		9		7		*			
FBA/FBB	5		3		1		2		*			
1	115	37.5%	120	40.5%	123	41.9%	122	42.1%	127	44.3%		
2	140	45.6%	135	45.6%	133	45.2%	139	47.9%	133	46.3%		
3, 4, & 5	52	16.9%	41	13.9%	38	12.9%	29	10.0%	27	9.4%		
Non-Rated	0	-	0	-	0	-	0	-	0	-		

* Third quarter fiscal year 2013 performance measure data hasn't been finalized but will be provided in the next summary.

(1) Fiduciary assets for non-exempt trust companies only.

The Department considers any bank with a Uniform Financial Institutions Composite Rating of 3, 4, or 5, to be a problem institution. We anticipate that the number of problem banks, currently at 26, will continue to reduce as the Texas economy gradually improves and problem banks are able to resolve their troubled loans, and holdings of other real estate are liquidated.

June 7, 2013

Administrative/Enforcement Actions (Number outstanding as of the date indicated)			FY 2013			
	8/31/2011	8/31/2012	11/30/2012	2/28/2013	5/31/2013	8/31/2013
Banks - Safety and Soundness						
Formal	18	15	15	14	12	
Informal	53	50	44	34	30	
Banks - Bank Secrecy Act (BSA)						
Formal	1	0	0	0	0	
Informal	1	1	1	2	2	
Banks - Information Technology (IT)						
Formal	0	0	0	0	0	
Informal	3	2	2	2	2	
Trust Departments of Banks and Trust Companies						
Formal	0	0	0	0	0	
Informal	1	1	2	2	1	
Total Administrative/Enforcement Actions						
Formal	19	15	15	14	12	
Informal	58	54	49	40	35	
Total	77	69	64	54	47	

Formal actions include Orders to Cease and Desist, Consent Orders and Written Agreements.

Informal actions include Determination Letters, Memoranda of Understanding, Commitment Letters and Board Resolutions.

Orders of Supervision, Orders of Conservatorship and Compliance actions are not included.

Compliance with Examination Priorities (Past Due Examinations)*			
Entity Type	3/31/2013	4/30/2013	5/31/2013
Commercial Banks			
Total by Responsibility (TDOB/FDIC/FRB)	3/0/0	3/1/0	4/0/0
IT	4/0/0	2/1/0	3/0/0
Trust	0/0/0	0/0/0	0/0/0
Foreign Bank Agencies			
Total by Responsibility (TDOB/FRB)	0/1	0/0	0/0
Trust Companies			
Total by Responsibility (DOB Public/Exempt)	0/0	0/0	0/0
IT	0	0	0
Total of All Entities			
Total by Responsibility (TDOB/FDIC/FRB)	7/0/1	5/2/0	7/0/0

Total

8

7

7

In March of 2013, Administrative Memorandum 2041 was changed to provide that any examination that is started within 30 days from the date the examination is due, is considered to meet the Department's performance measures. This table has been updated to reflect this change.

Of the four banks that are past due for examination as of 5/31/2013, one is scheduled for a June examination, one is scheduled for a July examination, and two are scheduled for August examinations. Examination schedules through the remainder of the fiscal year reflect that the number of past due examinations should be significantly reduced by 8/31/13.

Division Highlights

- Seminar/Panel/Conference Participation:

- The Department hosted Community Bank Town Hall meetings in Lubbock, Dallas, San Antonio and Houston from May 29th to June 12th. The Independent Bankers Association of Texas and the Texas Bankers Association (TBA) sponsored the meetings. The purpose of the meetings was to bring community bankers together from across the state to discuss the challenges and opportunities that exist in their communities and on a national level. The results of a recent community bank survey were also discussed at these meetings. Attending from the Department were Commissioner Cooper, Deputy Commissioner Bacon, Directors Purdom and Rodriguez, Regional Directors and Regional Review Examiners from the respective region, and Financial Analyst Lena.

The feedback garnered from the Community Bank Town Hall meetings will be used as support for a joint policy and research conference held in St. Louis on October 2 – 3, 2013, called "Community Banking in the 21st Century." This conference is a joint effort of the Conference of State Bank Supervisors (CSBS) and the Federal Reserve Bank of St. Louis. Commissioner Cooper and a Texas community bank representative will be participating in this conference and providing input based upon the discussions from the Town Hall meetings and the survey.

- Director Purdom has been named the Chairman of the Performance Standards Committee (PSC) by CSBS. The PSC determines the minimum requirements and best practices for state banking departments that are accredited by CSBS. The committee also reviews the reports drafted by the review team and decides whether individual state banking departments should be accredited or reaccredited.
- Review Examiner Kevin Wu completed regional training meetings on the new ETS-ALERT software (Examination Tools Suite – Automated Loan Examination Review Tool). The new software allows the regulatory agencies to digitize the loan review process and adds a few more layers of protection (via digital encryption and passwords) to confidential information. Kevin continues to serve as the Department's central point of contact for our field examiners to communicate questions, errors, or other issues, which are then communicated to CSBS and the FDIC staff working nationally on this program. He will participate in the testing phase of this development in the upcoming months.
- Review Examiner Wu continues to serve on a task force to test and implement ETS-SAGE (Supervisory Application Generating Exams), which is new software capable of generating commercial bank examination reports. It is a collaborative effort among CSBS, the FDIC, and the Federal Reserve Board. This new program will allow agency personnel to digitize the entire examination process, including packaging digital work papers and the final report.
- Director Chris Robinson served as course administrator and as an instructor for a week-long internal school for assistant examiners who have been with the agency for less than one year. The school curriculum emphasized major operational assignments, regulations, and bank analysis. Review Examiners Melissa Dvoracek, Victoria Montgomery, and Kevin Wu also served as instructors.
- Director Purdom participated in a Regulatory Panel for the TBA's Chief Financial Officer School held in Bastrop on June 6, 2013.

- Federal Programs:
 - TARP – Eighty of our banks applied to participate in the Capital Purchase Program under the Troubled Asset Relief Program (TARP). However, after significant withdrawals, only 21 banks received funds totaling \$2.8 billion, with one bank receiving about 80% of this total. As of April 30, 2013, nine banks have not repaid any of their TARP funds. The total outstanding amount is approximately \$290 million.
 - Small Business Lending Fund (SBLF) – Twenty-three Texas state-chartered banks applied for funds under this program. Twelve banks received funds totaling \$255.7 million. The remaining banks either withdrew their applications or their applications were denied. As of April 30, 2013, one bank has paid back its SBLF funds, which leaves \$255.1 million outstanding.



Charles G. Cooper
Commissioner

TEXAS DEPARTMENT OF BANKING

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To: Finance Commission Members

From: Daniel Frasier, Director of Corporate Activities

Date: June 5, 2013

Subject: Summary of the Corporate Division Activities

DBF

Corporate Activities				Applications and Notices Processed				
Entities	FY2010	FY2011	FY2012	3Q12	4Q12	1Q13	2Q13	3Q13
*Banks and Bank-related (holding companies, etc.)	259	212	205	60	47	35	48	67
Foreign Banks	5	6	7	0	3	0	0	0
Trust Companies	19	18	7	2	2	3	4	3
MSBs	19	14	18	4	3	5	5	7
PCSEAs	11	15	7	2	0	2	1	0
CVEs	5	4	5	0	1	0	4	0
Other (Use of Name)	59	62	44	11	4	14	16	22
Totals	377	331	293	79	60	59	78	99
@ Background Checks Completed								
Entities			FY2012	3Q12	4Q12	1Q13	2Q13	3Q13
*Banks and Bank-related (holding companies, etc.)			76	5	42	11	21	15
Foreign Banks			0	0	0	0	0	0
Trust Companies			14	8	0	0	7	0
MSBs			199	60	51	36	15	64
PCSEAs			0	0	0	0	0	0
CVEs			0	0	0	0	0	0
Other			1	0	1	0	0	1
Totals			290	73	94	47	43	80

* - Includes all types of applications and notices for each entity.

@ - Detailed tracking of background checks was initiated in mid-2011. Previously, only informal systems were available to track background checks.

Entities/Activities	Application and Notices Under Review (as of June 5, 2013)	
*Banks and bank-related (holding companies, etc.)		20
Foreign Banks		0
Trust Companies		0
MSBs		9
PCSEAs		0
CVEs		0
Other (Use of Name)		1
Totals		30

Division Highlights

- The volume of filing activity was rather heavy this last quarter with filings received related to a broad range of filing types. Corporate continues to receive and process an elevated number of MSB related applications over the past few quarters. Applications currently being processed include two applications to convert to a Texas state bank (First Bank, Whitney and Vantage Bank Texas, San Antonio).
- Chartering, Conversion, and Merger Activity – The following transactions were consummated during the 3rd quarter of the 2013 fiscal year:
 - *Banks*
 - First Associations Bank, Dallas, merged with and into Pacific Premier Bank, Costa Mesa, California
 - Signature Bank, Dallas, merged with and into Happy State Bank, Happy
 - The Lone Star State Bank, Lone Star, merged with and into Community Bank, Longview
 - The First State Bank, Avinger, merged with and into Community Bank, Longview
 - First Bank & Trust, Seymour, completed their conversion to a Texas state bank



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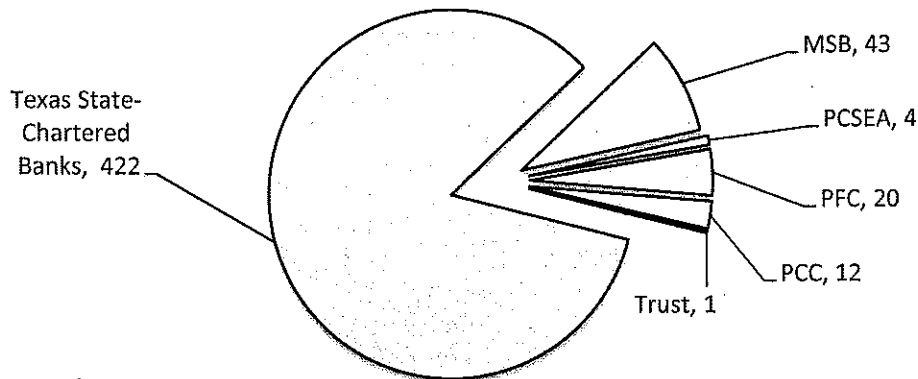
To: Finance Commission Members

From: Wendy Rodriguez, Director of Strategic Support *WR*

Date: June 3, 2013

Subject: Summary of the Strategic Support Division Activities

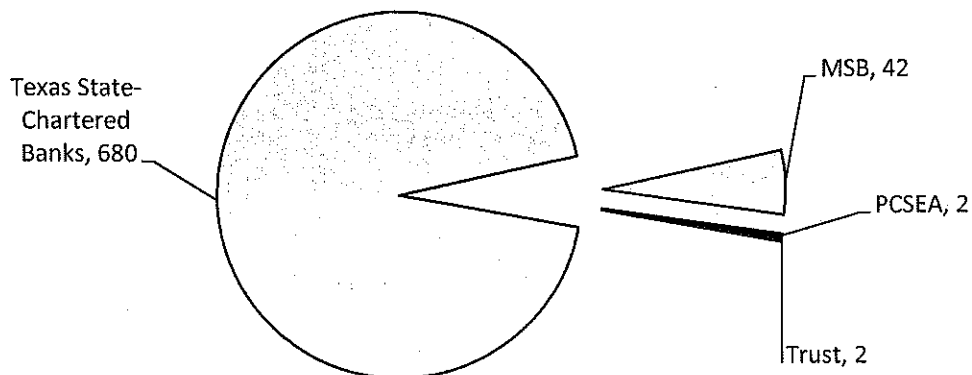
Complaints on Regulated Entities September 2012 - April 2013



Recoveries = \$19,393.44

Total = 502

Inquiries on Regulated Entities September 2012 - April 2013

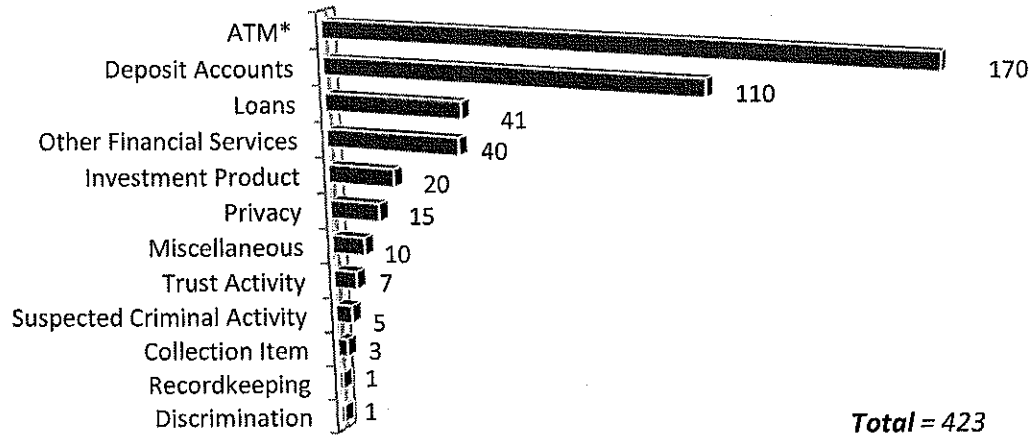


Total = 726

State-Chartered Banks and Trust Companies

Complaints by Type

September 2012 - April 2013

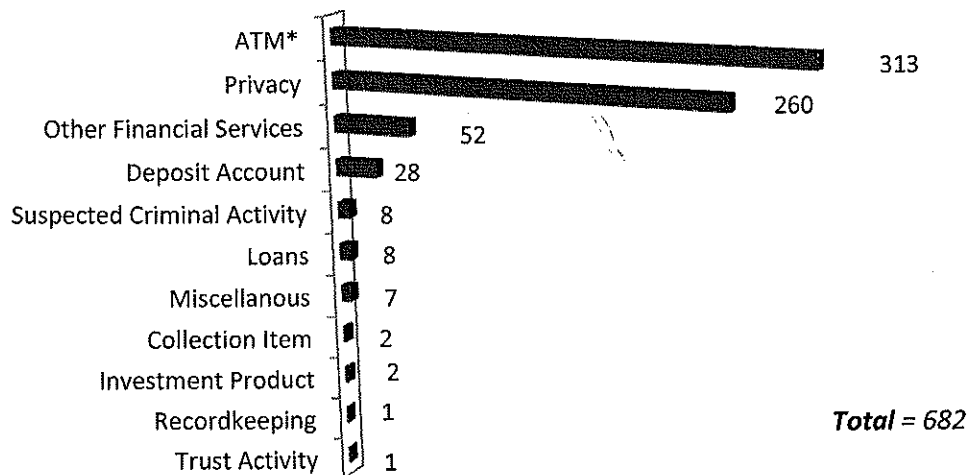


*High activity related to annual privacy notice containing the Department's contact information. Consumer complaints range from needing clarification of the notice to account balance issues and card related problems.

State-Chartered Banks and Trust Companies

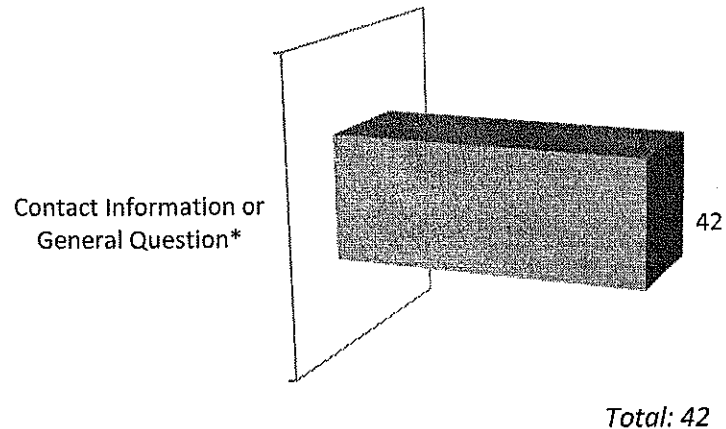
Inquiries by Type

September 2012 - April 2013



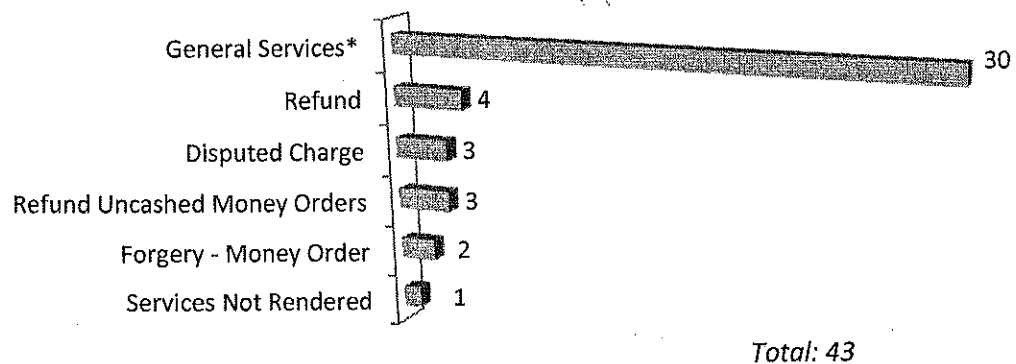
*High activity related to annual privacy notice containing the Department's contact information. Consumer complaints range from needing clarification of the notice to account balance issues and card related problems.

**Money Services Businesses
Inquiries by Type
September 2012 - April 2013**



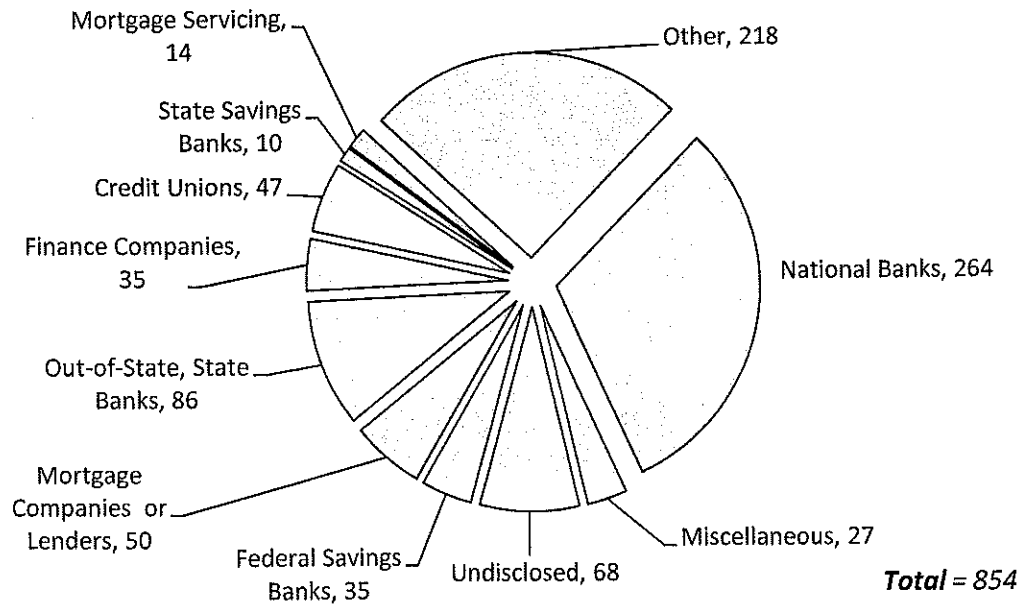
**Activity related to transfer/remittance customer services and prison system issues with prepaid access devices.*

**Money Services Businesses
Complaints by Type
September 2012 - April 2013**



**Activity related to customers needing company contact information or general questions best answered by company.*

Complaints and Inquiries Against Nonregulated Entities September 2012 - April 2013



Average Number of Days to Close a Complaint

Type	Sept. 2012 – April 2013
State-Chartered Banks	10
Trust	1
PCSEA	n/a
PFC/PCC	36
MSB	45

CANS Activity March 2008 – May 31, 2013

Entity	Enrolled	Compromised Accounts Reported
Texas State-Chartered Banks	264	2,465
Texas State-Chartered Savings Banks	27	108
Federal Savings Banks	11	270
State Credit Unions	161	1,998
Federal Credit Unions	230	2,071
National Banks	166	1,213
Out-of-State State-Chartered Banks	11	3
Out-of-State National Banks	4	92
Total	874	8,220

Bank Examination Testing System (BETS) Activity

	FY 2010	FY 2011	FY 2012	FY 2013
	Sept 09-Aug 10	Sept 10-Aug 11	Sept 11-Aug 12	Sept 12-May13
Beginning Balance of FE3's	24	28	27	20
Number of Candidates Passing Each Phase				
I. General Knowledge	11	10	6	3
II. Loan Analysis	4	3	5	7
III. Panel	2	5	4	5
IV. Test Bank	2	4	3	7

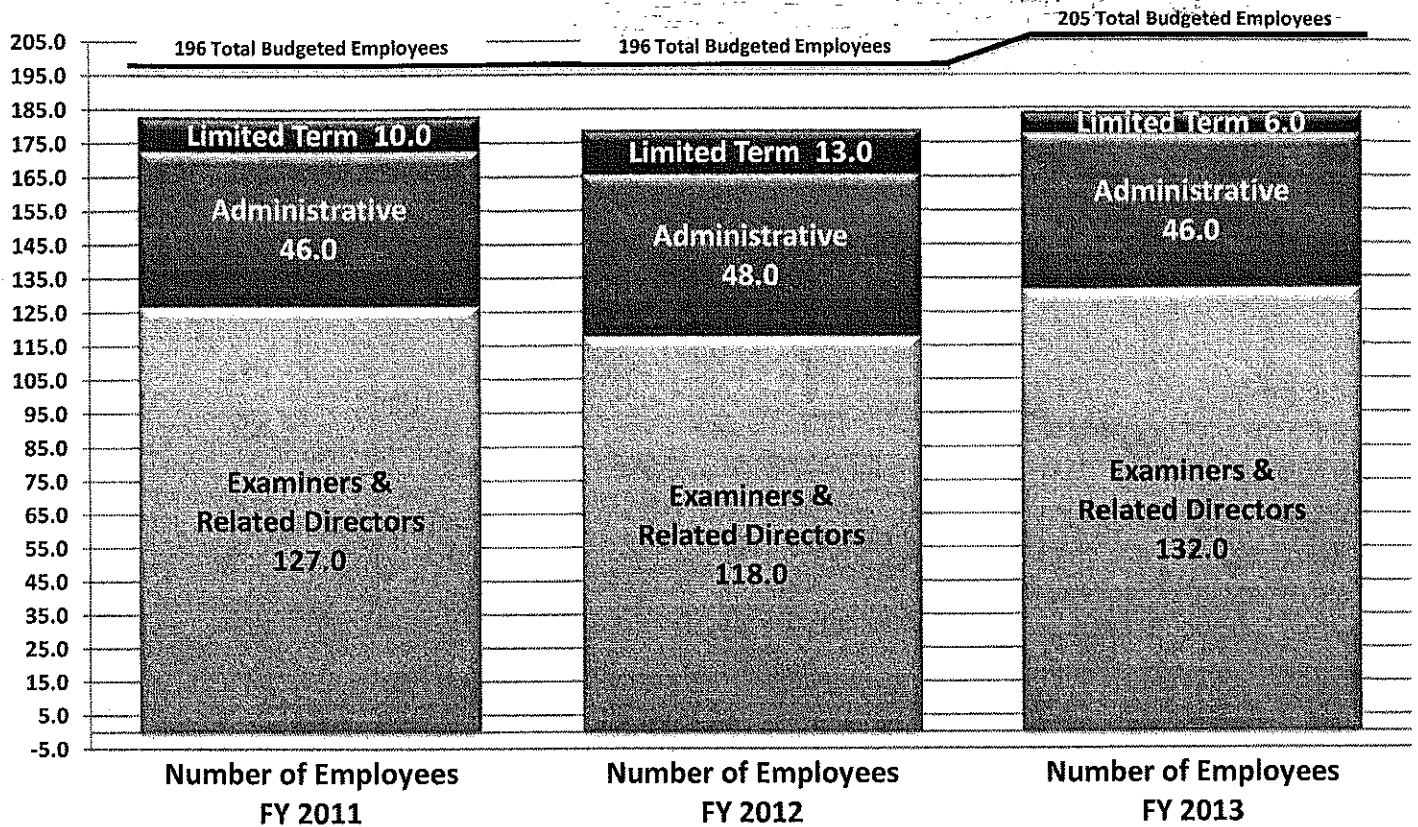
Promotions				
From FE3A to FE3B	11	10	6	3
From FE3B to FE4 (Commissioned Examiner)	0	6	3	5

Other Divisional Items:

- The web version of the Law and Guidance Manual updated through March 31, 2013 is available on the website.
- The policies on Other Real Estate Owned were revised and re-issued on May 10, 2013, Supervisory Memorandum 1008 OREO for commercial banks and Supervisory Memorandum 1032 OREO for trust companies.
- Administrative Memorandum 2022, Institution Review Process for Banks, was revised and issued on May 10, 2013.
- Dance cards used by non-commissioned examiners have been revised to include the tracking of loans worked at each examination. This will assist the examiners in preparing for the loan panel portion of the commissioning process.
- Corporate Account Takeover procedures are now part of the core IT examination procedures which may be performed by commercial examiners. IT examiners have used these procedures since late January.
- April was financial literacy month. Our Financial Literacy Coordinator participated in various events, including the Financial Fitness Greater Austin (FFGA) held April 21-27, 2013. The FFGA held a press conference to announce the student winners of the 2013 \$mart Kid Essay Contest at Austin City Hall with Commissioner Cooper providing welcoming remarks. Ms. Lim-Villegas participated as one of the judges for the contest.

Texas Department of Banking

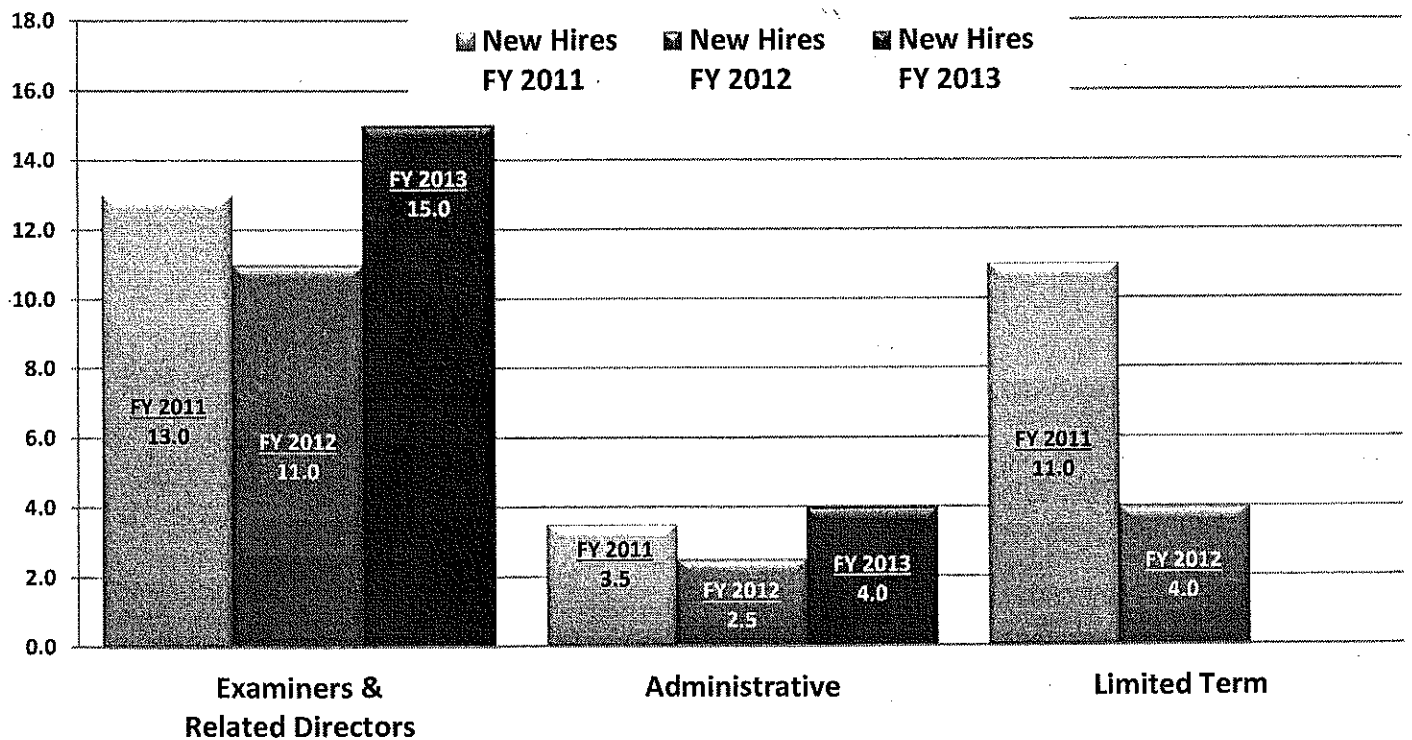
Employee Data for Fiscal Years 2011, 2012 and 2013



As of 5/31/2013

Texas Department of Banking

New Hire Data for Fiscal Years 2011, 2012 and 2013

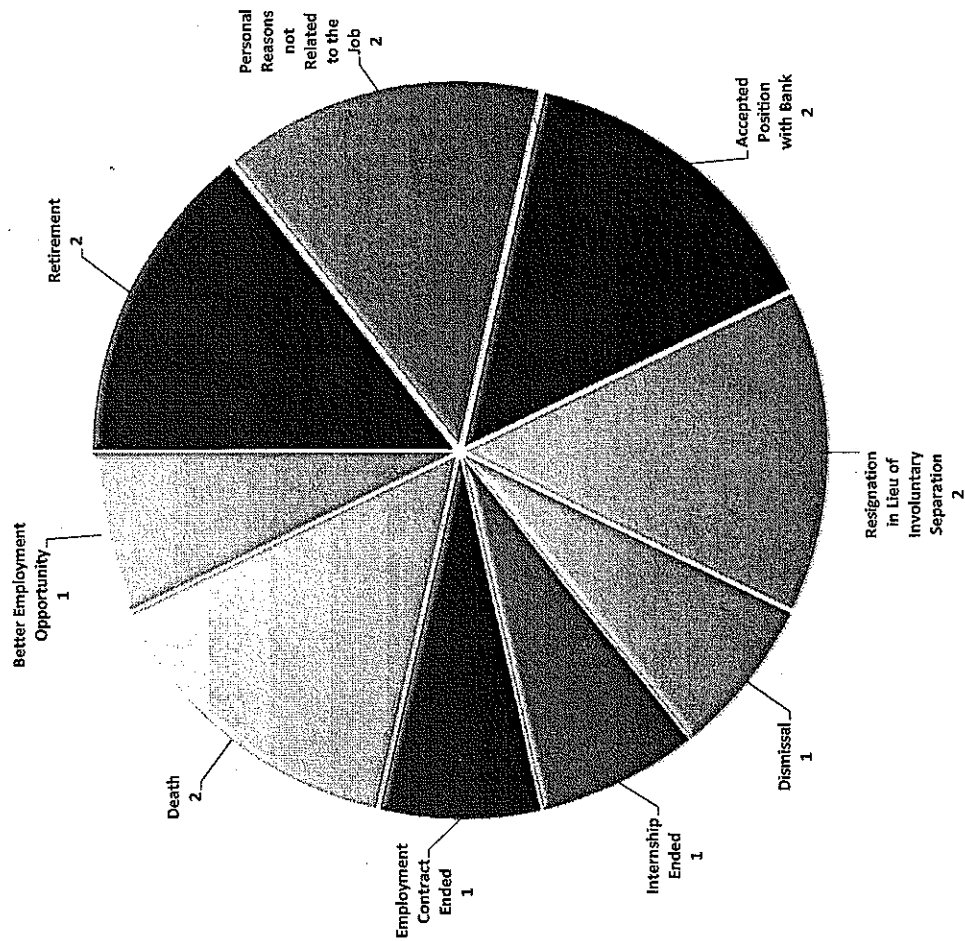


As of 5/31/2013

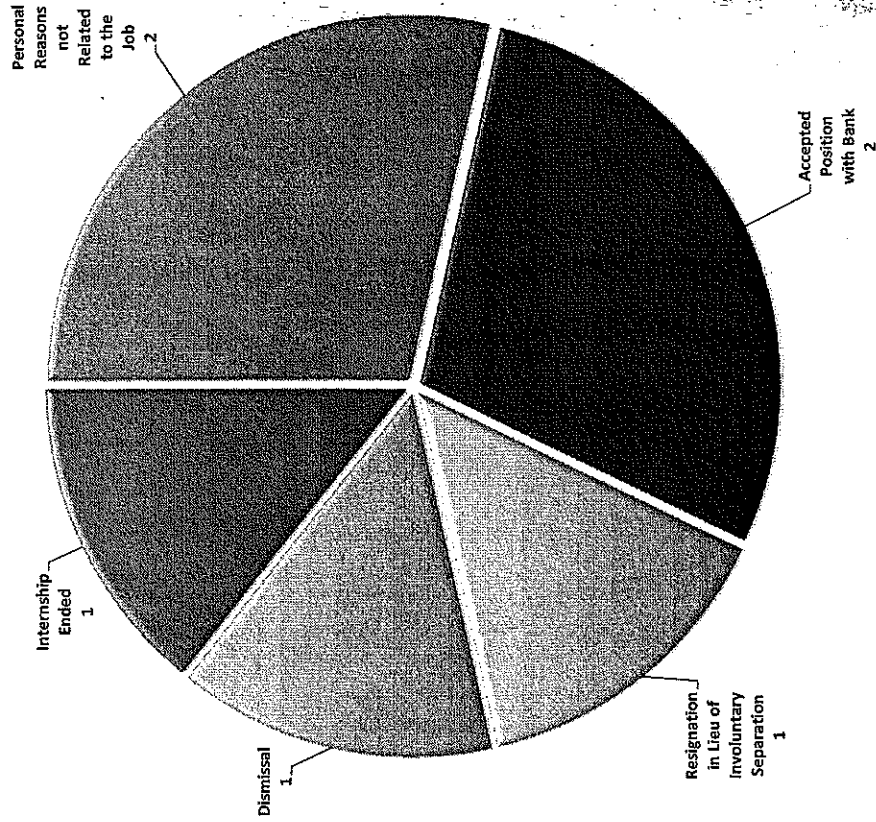
Texas Department of Banking

FY 2013 Employee Turnover

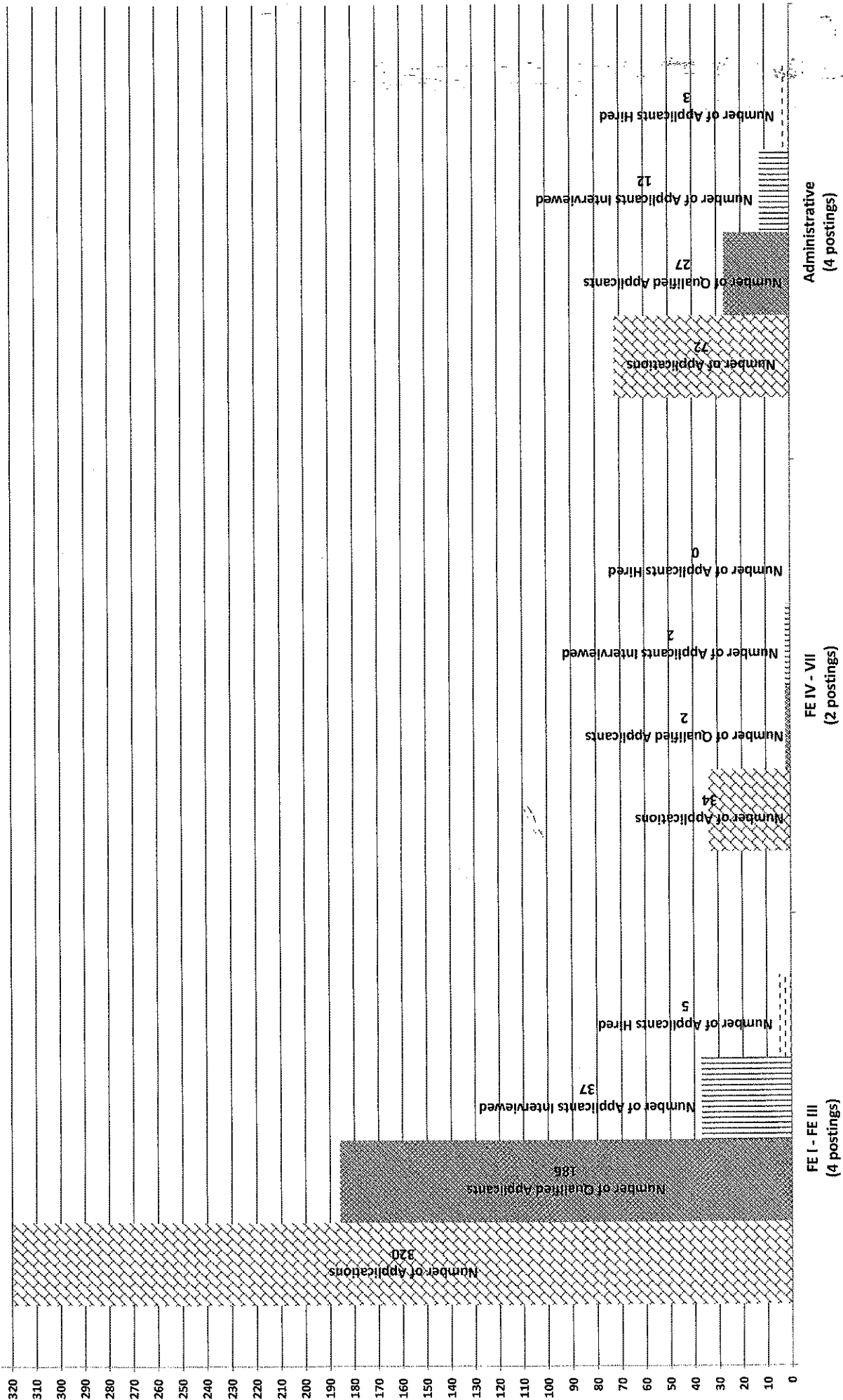
FY 2013 Employee Turnover Reasons
As of 5/31/2013
All Employees
14 Resignations



FY 2013 Employee Turnover Reasons
As of 5/31/2013
Financial Examiners Only
7 Resignations



Department of Banking Jobs Posted
FY 2013 - YTD
September 1, 2012 - May 31, 2013



Note: There were two postings open at 5/31/13; one is an FE IV - FE V, and one is an FE VI - FE VII.

Two FEI - FEII Special Audits postings were closed in the 2nd quarter due to a low applicant pool and are not shown in this report; these two positions were reposted in the 3rd quarter and job offers are pending.



Charles G. Cooper
Commissioner

TEXAS DEPARTMENT OF BANKING

2601 North Lamar Blvd., Austin, Texas 78705

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www.dob.texas.gov

To: Finance Commission Members

From: Russell Reese, Director of Special Audits *RR*

Date: June 6, 2013

Subject: Summary of the Special Audits Division Activities

Special Audits					FY 2013							
Entity	FY2011		FY2012		1 st		2 nd		3 rd		4 th	
Industry Profile (# / Assets (billions))												
MSB	128	\$80.7	133	\$89.8	135	89.9	136	89.9	*	*		
PFC	396	\$3.1	395	\$3.2	394	3.2	393	3.2	*	*		
PCC	245	\$239.9	243	\$259.7	244	262.4	244	263.4	*	*		
PCSEA	10	n/a	10	n/a	10	n/a	11	n/a	*	*		
CVE	4	n/a	4	n/a	4	n/a	4	n/a	*	*		
Examinations Performed												
MSB	106		81		23		23		*			
MSB Limited Scope	0		6		0		1		*			
MSB Accepted other State	3		2		4		2		*			
PFC	285		239		85		39		*			
PFC Limited Scope	3		7		1		5		*			
PCC	173		202		21		19		*			
PCC Limited Scope	3		7		4		2		*			
Ratings (# / %) Assigned to All Regulated Entities												
1	317	42%	274	37%	275	36%	279	37%	*	*		
2	363	48%	356	47%	363	48%	373	49%	*	*		
3,4, & 5	78	10%	122	16%	118	16%	106	14%	*	*		
Noncompliance with Examination Priorities (Past Due)												
MSB	5		19		20		19		*			
PFC	29		48		54		67		*			
PCC	69		39		23		62		*			
Enforcement Actions												
MSB	2		0		0		0		*			
PFC	7		10		4		2		*			
PCC	1		5		1		2		*			
PCSEA	0		0		0		0		*			

NOTES:

PCC \$ amounts reflected in the millions.

Limited scope examinations do not receive a rating.

*Third quarter fiscal year 2013 data has not been finalized and will be provided in the next summary.

Division Activities:

On April 22th to April 24th, two MSB examiners attended a training seminar for regulators of money services businesses during MTRA's Senior Examiner School.

On April 30th, Director Reese and Deputy Commissioner Newberg gave a presentation on perpetual care regulations to the members of the Texas Cemeteries Association during their 2013 Annual Convention.

On May 1st, the Department issued Supervisory Memorandum 1035 concerning licensing of foreign-located money transmitters under Texas Finance Code Chapter 151. When a foreign MSB has no physical presence, employees, or agents within the U.S., but transmits money for persons located in Texas through a website, it must obtain a Texas MSB license, or cease conducting business for persons located in Texas.

On May 7th, the Department met with representatives from the San Saba County District Attorney's office in Llano, Texas, to discuss the ongoing criminal proceedings against the previous owner of the Howell-Doran Funeral Home, San Saba, Texas, for misappropriating approximately \$200,000 in trust funds and an additional \$100,000 in insurance premiums funds collected from the sale of numerous prepaid funeral contracts. If a final settlement is not reached, the trial is set to begin on June 20, 2013. A Departmental administrative hearing for this seizure has been postponed pending the completion of the criminal proceedings.

On May 8th to May 10th, Director Reese attended a North American Death Care Regulators Seminar (DCRA). DCRA's membership consists of various state representatives charged with the regulation of preneed sellers and perpetual care cemeteries.

On May 16th, a Prepaid Funeral Guaranty Fund Advisory Council (Council) meeting was held in Austin. The Council ratified two previously approved trust fund claims totaling \$4,951.

On May 22nd, Director Reese gave a presentation on PFC regulations at the San Antonio College Mortuary Science Continuing Education Symposium.

In June 2013, two PFC/PCC examiners and two MSB examiners were hired. The examiners will be stationed in the Houston and San Antonio regions.



Charles G. Cooper
Commissioner

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Memorandum

TO: Finance Commission Members
FROM: Kaylene Ray, General Counsel
DATE: June 6, 2013
RE: Legal Division Update

Litigation

State of Texas v. Stephenville Memorial Gardens, Inc., Cause No. 30853, In the 266th District Court of Erath County, Texas. The District Court issued an Order on April 24, 2013 approving the sale of the cemetery with conditions including completion of requirements to obtain Certificate of Authority to operate a PCC from the Department within 30 days after the closing, which is currently delayed pending the release of a federal tax lien by the IRS.

Texas Department of Banking v. Greg Abbott, Attorney General of Texas; Cause No. D-1-GV-11-001906, In the 53rd District Court of Travis County, Texas. No recent activity in this Public Information Act appeal.

State of Texas v. Myrtlewood Memorial Services d/b/a Harlingen-Combes Memorial Cemetery, Cause No. 2013-DCL-2248-B, in the 138th Judicial District Court of Cameron County, Texas. This is a case seeking the appointment of a receiver for and the revocation of the certificate of a perpetual care cemetery. The defendant has been served, but we have not yet received its answer.

Contested Case Hearings

Gonzalez Funeral Home, Gonzalez Family Funeral Home, LLC, Gonzalez-Rivera Funeral Home of Edinburg, LLC, Adan Gonzalez, Myrna Doris Gonzalez, Marc Anthony Gonzalez, and Aaron Rivera, Edinburg, Texas, Docket No. BE-13-10-039. Respondents are accused of violations of the Texas Finance Code, Chapter 154, relating to the receipt of funds from the sale of preneed funeral contracts that were not deposited in trust or submitted to a licensed insurance company as insurance premiums. A hearing on restitution and penalties is set for July 10, 2013.

In re Antioch St. Johns Cemetery Company, Docket No. BE-13-11-326. The Department seeks administrative penalties against this former perpetual care cemetery for numerous violations of Texas law. A hearing is set for June 10, 2013.

In re S. Noorani International, Inc. et al., Dockets Nos. BCD-13-12-349 and BE-13-12-349. The Department seeks a cease and desist order, revocation of license, and administrative penalties against this licensed money services business and affiliated parties for conducting unlicensed money transmission business, suppressing records, and other violations of the Money Services Act. A hearing is set for July 18, 2013.

Orders

During April and May 2013 the Commissioner issued four orders. The Legal Division assisted with the following final public orders.

Order No. 2013-005, dated 4/15/2013; Order approving conversion from trust-funded prepaid funeral benefits; Funeral Agency, Inc., Junction, TX.

Order No. 2009-043a, dated 4/24/2013; Order Terminating Joint Cease & Desist Order No. 2009-043; Bank of South Texas, McAllen, TX.

Order No. 2013-007, dated 4/29/2013; Conversion of First National Bank of Seymour to First Bank & Trust, Seymour, TX (conversion from national to state charter).

Rule	Short Title/Purpose	Project Date for Presentation to Finance Commission (Proposed or Adopted)	Agency
7 TAC §26.13	Perpetual Care Cemeteries – Remains Receptacle Location Recordkeeping To implement Legislative changes	8/16/13 Proposal	DOB
7 TAC Chapters 3, 15, 17, 21	Revise terms used in Subtitles A, F, and G of Title 3, Finance Code to be consistent with the Business Organizations Code To implement Legislative changes	8/16/13 Proposal	DOB
7 TAC §§3.91, 3.93, 12.91, 19.51	Loan Production Offices and Other Real Estate Owned To implement Legislative changes	8/16/13 Proposal	DOB
7 TAC new rules	Cemetery Broker Registration To implement Legislative changes	10/18/13 Proposal	DOB